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INFORMATION ON INTERGOVERNMENTAL ORGANIZATIONS

Note by the Director-General

Provides information on an intergovernmental organization (European Bank for Reconstruction and Development) that has expressed the wish to enter into an appropriate relationship agreement with UNIDO.

1. Pursuant to paragraph 8 of the guidelines issued by the General Conference in its decision GC.1/Dec.41 regarding relationship agreements, the present document provides in an annex information on the European Bank for Reconstruction and Development (EBRD), which has expressed the wish to enter into an appropriate relationship agreement with UNIDO.

ACTION REQUIRED OF THE BOARD

2. The Board may wish to authorize the Director-General, in accordance with General Conference decision GC.1/Dec.41, annex, paragraph 9, to conclude an appropriate relationship agreement with EBRD based on the information contained in the annex to the present document.

For reasons of economy, this document has been printed in a limited number. Delegates are kindly requested to bring their copies of documents to meetings.

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Annex

EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT (EBRD)

Historical background

Established in 1991 to assist the countries of central and eastern Europe and the Commonwealth of Independent States (CIS) to develop market economies.

Purpose

To help its countries of operations implement structural and sectoral economic reforms and to promote competition, privatization and entrepreneurship, taking into account the particular needs of countries at different stages of transition. Through its investments, it promotes private sector activities, the strengthening of financial institutions and legal systems and the development of the infrastructure needed to support the private sector.

In fulfilling its role as a catalyst of change, EBRD encourages co-financing and foreign direct investment from the private and public sectors, helps to mobilize domestic capital and provides technical cooperation in relevant areas. It works in close cooperation with international financial institutions and other international and national organizations. In all its activities, the Bank promotes environmentally sound and sustainable development.

Membership

60 members (58 countries, the European Union and the European Investment Bank), including 26 countries of operations in central and eastern Europe and the CIS.

Organizational structure

The powers of EBRD are vested in a Board of Governors, to which each member appoints a Governor and an Alternate. The Board of Governors has delegated powers to a Board of Directors with 23 members, who are elected by the Board of Governors for a three-year term.

The Board of Directors is responsible for the direction of the general operations of the Bank, including establishing policies, taking decisions concerning projects and approving the budget. The President is elected by the Board of Governors for a four-year term. Vice-Presidents are appointed by the Board of Directors on the recommendation of the President.

The Secretariat consists of units dealing with finance, personnel and administration; project evaluation, operation support and nuclear safety; internal audit and communications. There are offices of the Secretary General, General Counsel and Chief Economist. Headquarters are in London, with 29 resident offices or other offices located in 25 countries of operations.

Financing

Subscribed capital of ECU 20 billion, of which 30 per cent is paid in. The Bank also borrows in various currencies on world capital markets. One of EBRD's strengths is that it can operate in both the private and public sectors. It merges the principles and practices of merchant and development banking, providing funding for private enterprises or State-owned enterprises implementing programmes to achieve private ownership and control. Physical and financial infrastructure projects needed to support the private sector are also funded.

Activities

In addition to financing investment projects, EBRD also finances, through a special Co-operation Funds Programme, technical cooperation activities covering, *inter alia*, sector studies, project-related analyses and institutional development and training. These activities support directly or indirectly the Bank's investment and lending operations.

Cooperation with UNIDO

Some UNIDO activities in EBRD member countries have been developed or carried out in cooperation with the Bank. Areas for possible future cooperation include:

- Industrial policy formulation and implementation;
- Market opening and quality management;
- Investment and technology promotion;
- Small and medium enterprise policy framework;
- Statistics and information;
- Energy development and efficiency;
- Environment.

Relationship agreements

EBRD has relationship agreements with several international and European organizations, including the Bretton Woods institutions.

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